Alla Kachan, Esq. Law Offices of Alla Kachan, P.C. 2799 Coney Island Avenue, suite 202 Brooklyn, NY 11235 Tel.: (718) 513-3145

UNITED STATES BANKRUPTCY COU	RŦ
EASTERN DISTRICT OF NEW YORK	

In re:

Produce Depot USA LLC

Case No.: 1-22-40412-ess

Chapter 11

Debtor.

STATE OF NEW YORK )

) SS:

COUNTY OF KINGS)

## AFFIDAVIT PURSUANT TO E.D.N.Y. LOCAL BANKRUPTCY RULE 1007-4

Gaetano Balzano, duly sworn, depose and say:

- I am one of the principals and 20% owner of Produce Depot USA LLC (the "Debtor"), and as such,
   I am familiar with the operations, business, and financial affairs of Debtor.
- 2. I submit this affidavit in accordance with the E.D.N.Y. Local Bankruptcy Rules in support of the voluntary petition filed by the Debtor under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code").
- 3. There is no pending involuntary bankruptcy case against the Debtor and this petition is filed as a voluntary Chapter 11 proceeding.
- 4. The Debtor is a wholesale warehouse.
- 5. The circumstances leading to Debtor's filing under Chapter 11 were as follows:

  The business was managed by one of the shareholders Michael Felix, who upon information and belief, violated his fiduciary duties and allegedly diverted business, made unauthorize loans and investments involving company funds. This resulted in a progressive negative cash flow, failure to cope with daily financial obligations and eventually forced the closure of the business.
- 6. The corporation has three principals.
- 7. A list of Debtor's 25 creditors is attached.

Case 1-22-40412-ess Doc 48 Filed 06/08/22 Entered 06/08/22 19:13:01

Dated: New York, New York

By: Gaetano Balzano

President of Produce Depot USA LLC

May 3, 2022

Sworn to before me this

Day of May 2022.

Vetar Public, State of New York